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November 27, 2006
Invoice No. 1041844

10/27/06	M. Levinson	Re-review the response of the three committees (including the Diversified Committee) to the debtors' intercompany claims motion and review the debtors' responsive brief of last night (.30); review L. Ernce email memorandum re preparing for the hearing on such motion (.10); lengthy email memorandum to A. Loraditch re the same (.20).	0.60	336.00
10/27/06	L. Ernce	Review debtors' reply brief in support of intercompany claims motion (.10); email memo to M. Levinson re same and my recommendation for Diversified Committee's position at next week's hearing (.10); review M. Levinson email to A. Loraditch re instructions for dealing with motion at next week's hearing (.10).	0.30	139.50
10/30/06	M. Levinson	Telephone conversation with A. Loraditch (from the courthouse) re responding to G. Garman's request that the Diversified Fund agree to a 60-day extension for direct lenders to file proofs of claim and subsequent call with A. Loraditch re the same (.10); review the draft form of order extending the bar date for direct lenders and email memorandum to B. Higgins and others with my suggested change to the form of order (.20).	0.30	168.00
10/31/06	M. Levinson	Review B. Higgins, A. Landis and R. Charles email memoranda re changes to the order extending the claims bar date for direct lenders, email B. Higgins authorizing her to sign the order for me, and review her follow-up email memorandum to A. Jarvis (.20); review the lengthy proposed changes suggested by A. Jarvis and email memorandum to A. Loraditch re the same (.10).	0.30	168.00
<i>B310 – Claims Administration and Objections Total</i>			6.00	3,097.00



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Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	2.80	465.00	1,302.00
Jeffery D. Hermann	0.30	570.00	171.00
Marc A. Levinson	2.90	560.00	1,624.00
Total All Timekeepers	6.00	\$516.17	\$3,097.00



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Task B320 – Plan and Disclosure Statement (including Business Plan)

10/01/06	M. Levinson	Further review and analysis of the E. Karasik September 30th re-draft of the FTDF/Diversified term sheet (.30); review M. Tucker and A. Loraditch email memoranda re the letter of intent from California Mortgage and Realty, but not the LOI itself, which was sent by CMR (.10).	0.40	224.00
10/04/06	M. Levinson	Portion of a telephone conversation with M. Tucker re next steps in the plan process (.10); telephone conversation with E. Karasik re the same (.30); portion of long telephone conversation with M. Tucker and J. Hermann devoted to plan and plan proponent issues (.30); initial review of the new draft plan and disclosure statement circulated by A. Jarvis (.40).	1.10	616.00
10/05/06	J. Hermann	Portion of telephone conference with M. Tucker, C. Harwick and M. Levinson regarding plan of reorganization issues including most recent term sheet received from counsel for FTDF Committee and ongoing discussions with USACM Committee.	0.40	228.00
10/05/06	M. Levinson	Further attention to the E. Karasik September 30th re-draft of the FTDF/Diversified term sheet and analysis re next steps in light of the same (.30); portion of a very long telephone conversation with C. Harwick, M. Tucker and J. Hermann devoted to plan of reorganization issues (.40).	0.70	392.00
10/05/06	L. Ernce	Review M. Tucker email memorandum to Diversified Committee summarizing letter of intent to purchase Diversified Fund assets by CMR.	0.10	46.50
10/06/06	L. Ernce	Review A. Jarvis email memo re her call with J. McCarroll and review Silver Point proposed form of asset purchase agreement.	0.50	232.50
10/07/06	M. Levinson	Initial review and analysis of the revised draft term sheet circulated yesterday by R. Charles and review the lengthy R. Charles cover email memorandum re the same.	0.40	224.00



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10/09/06	M. Levinson	Portion of telephone conversation with J. Hermann devoted to plan issues and next steps (.20); portion of very long telephone conversation with M. Tucker, C. Harvick and J. Hermann devoted to term sheet and plan issues (1.30); further review of the draft Silver Point asset purchase agreement in preparation for tomorrow's conference call (.80).	2.30	1,288.00
10/09/06	L. Ernce	Review email from C. Pajak re Silver Point asset purchase agreement and latest version of timeline for sale and plan process.	0.10	46.50
10/09/06	J. Hermann	Telephone conference with M. Levinson regarding plan of reorganization issues and related matters, including plans for all-committee meeting this week to negotiate plan of reorganization issues (.20); participate in conference call with M. Tucker, C. Harvick and M. Levinson regarding numerous issues involved in outstanding term sheets with two committees on plan of reorganization negotiations and related matters (1.30); further review and analysis of provisions of plan of reorganization term sheet in connection with the same (.40).	1.90	1,083.00
10/10/06	M. Levinson	Review and analyze the lengthy A. Jarvis email memorandum with her preliminary comments to the draft Silver Point asset purchase agreement (.20); review portions of the draft agreement and the letter of intent in light of the same (.30); review R. Charles email commenting on the draft agreement and respond to the same in an email memorandum to all hands (.20); telephone conversation with C. Harvick in preparation for the all-hands call about the draft asset purchase agreement (.20); long call with the debtors and committee professionals re the draft asset purchase agreement (.40); review and analyze the letter/objection to the disclosure statement from S. Lavigna of the SEC (.20); portion of telephone conversation with E. Karasik and S. Freeman re the upcoming meeting of the committees to discuss plan issues (.10).	1.60	896.00

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10/10/06	J. Hermann	Review and analysis of objection of SEC to disclosure statement and plan (.20); review and analysis of term sheets and prior correspondence regarding plan negotiations in preparation for meeting with all committees this week (.70).	0.90	513.00
10/11/06	M. Levinson	Telephone conversation with M. Tucker and J. Hermann in preparation for tomorrow's plan negotiation meetings (.20); review S. Strong email memorandum re the filing of an amended disclosure statement and related timing issues (.10); very long telephone conversation with M. Tucker and J. Hermann re the same during which we discuss in detail the E. Karasik and R. Charles draft term sheets and exchange a number of email memoranda attaching portions of various documents (2.70).	3.00	1,680.00
10/11/06	J. Hermann	Review and analysis of revised plan of reorganization term sheet received from USACM Committee in preparation of negotiations among committees on Thursday and Friday (.50); review and analysis of further proposal from FTDF Committee on plan of reorganization terms for payment by FTDF to Diversified in preparation of negotiations among committees on Thursday and Friday (.30); telephone conference with M. Tucker and M. Levinson regarding both term sheets and strategy for further negotiations with committees (.90); extensive telephone conference with M. Tucker and M. Levinson regarding both term sheets and numerous plan of reorganization and intercompany issues in preparation of negotiations among committees on Thursday and Friday (2.70).	4.40	2,508.00



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10/12/06	M. Levinson	Travel to Los Angeles for plan negotiation meetings and prepare en route by reviewing draft term sheets, memoranda and other documents (2.50); attend plan negotiations meetings with R. Charles, T. Burr, J. Gordon, G. Garman, E. Karasik, M. Kvarda, C. Pajak and others at Stutman (.50); telephone conversation from Stutman with the foregoing and with A. Jarvis, F. Merola and others re the latest draft of the Silver Point asset purchase agreement (.80); re-commence the plan negotiation meeting following the Silver Point call (2.60); meeting with M. Tucker and J. Hermann to prepare a Diversified Committee proposal and brief follow-up meeting with all hands (1.60).	8.00	4,480.00
10/12/06	L. Ernce	Review proposed stipulation and order extending time to file responsive pleadings to disclosure statement (.10); emails with M. Levinson and A. Loraditch re same (.10); review S. Strong email re decision that no amended notice of objection deadline is necessary (.10).	0.30	139.50
10/12/06	J. Hermann	Prepare for two day settlement negotiations with all committees on plan of reorganization issues by reviewing past term sheets and related materials (1.80); travel to Stutman offices for such meeting (.70); participate in plan of reorganization negotiations with professionals from all committees (.50); participate in conference call with professionals from all committees and debtors regarding issues in connection with latest draft of Silver Point offer (.80); continue with plan of reorganization negotiations with professionals from all committees (2.60); break-out session with M. Tucker and M. Levinson for the purpose of formulating a Diversified counter-proposal and related matters (1.60); travel from Stutman after meetings (.70).	8.70	4,959.00

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10/13/06	M. Levinson	Attend plan negotiations meetings with R. Charles, T. Burr, J. Gordon, G. Garman, E. Karasik, M. Kvarda, C. Pajak and others at Stutman (6.00); travel from Los Angeles to Sacramento, including conferences with R. Charles en route to the airport and with R. Charles and J. Gordon at the airport (2.50).	8.50	4,760.00
10/13/06	L. Ernce	Review A. Loraditch email memo discussing her call with Capital Crossing as potential overbidder and review M. Tucker email memo re same.	0.20	93.00
10/13/06	J. Hermann	Travel to Stutman and telephone conference with M. Tucker and M. Levinson enroute (1.20); further participation on plan of reorganization negotiations at Stutman offices involving professionals from all committees (6.00); travel from Stutman (1.20).	8.40	4,788.00
10/14/06	M. Levinson	Review M. Tucker and A. Loraditch email memoranda re potential asset purchaser, Capital Crossing (.10); portion of long telephone conversation with A. Jarvis devoted to a discussion of the October 12 and 13 plan settlement meetings and next steps (.20).	0.30	168.00
10/16/06	M. Levinson	Initial review of the revised bid procedures and the notice of bid procedures emailed tonight by E. Monson (.30); exchange email memoranda with R. Charles re the status of his committee's deliberations on the plan term sheet (.10); initial review of the reply memorandum in support of bid procedures emailed tonight by E. Monson (.20).	0.60	336.00
10/16/06	L. Ernce	Review draft reply brief in support of Silver Point bid procedures and analysis re same.	0.20	93.00



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10/17/06	M. Levinson	Further review of the revised bid procedures and the notice of bid procedures emailed last night by E. Monson and analysis re next steps (.20); email memorandum to B. Olson and A. Loraditch re the same and re preparing a Diversified Committee response in support of the bid procedures (.20); review a series of E. Monson follow-up email memoranda (.10); telephone conversation with B. Olson and A. Loraditch re the same and, during the call, send an email memorandum to A. Jarvis re the same (.20).	0.70	392.00
10/17/06	L. Ernce	Initial review latest version of joint plan term sheet.	0.30	139.50
10/17/06	L. Ernce	Review exchanges of emails among E. Monson, G. Garman and C. Pajak re bid procedures and latest draft of bid procedures.	0.30	139.50
10/18/06	M. Levinson	Exchange a series of email memoranda with R. Charles re discussing the plan term sheet and settlement issues (.10); initial review of the revised draft plan term sheet circulated yesterday by E. Karasik (.40); review C. Harvick email memorandum re a new potential bidder for the Diversified Fund assets (.10); long telephone conversation with R. Charles re plan issues, including a number of issues relating to the term sheet (.40); review C. Harvick and A. Loraditch email memoranda relating to plan negotiations on the accrual of interest on certain claims (.10).	1.10	616.00
10/18/06	L. Ernce	Review latest draft of bid procedures reply brief (.20); review finalized response by Diversified Committee in support of Silver Point sale motion (.10); review draft proposed order granting bid procedures motion (.10).	0.40	186.00
10/18/06	L. Ernce	Review portions of debtors' amended chapter 11 plan filed today.	0.50	232.50
10/18/06	J. Hermann	Preparation for bankruptcy court hearing tomorrow including review and analysis of pleadings on Silver Point auction bid procedures and pleadings relating to other matters on calendar.	0.90	513.00

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10/19/06	M. Levinson	Review E. Karasik email memorandum re the status of the plan term sheet and re next steps (.10); portion of long telephone conversation with J. Hermann devoted to plan and plan term sheet issues (.40).	0.50	280.00
10/19/06	L. Ernce	Review Silver Point's edits to proposed bid procedures order, and review C. Carlyon email re same.	0.20	93.00
10/19/06	L. Ernce	Review email from E. Karasik re status of responses on joint plan term sheet and next steps and brief Telephone conference with M. Levinson re same.	0.10	46.50
10/19/06	J. Hermann	Meeting with debtor representatives regarding execution of Silver Point agreements and coordination of argument of matters on calendar (.30); participation on behalf of Diversified Committee in bankruptcy court hearings on, among other calendar matters, bid procedures motion for Silver Point auction sale, motions for relief from stay and cross-motion for injunction of Florida loans, and objection by Diversified Committee to proof of claim in Diversified case (3.90); travel from Las Vegas (2.50 - actual time in excess of 4 hours).	6.70	3,819.00
10/19/06	J. Hermann	Participate in meeting with all committee and debtor professionals and Silver Point representatives after bankruptcy court hearing to coordinate and delegate tasks for further showings and further pleadings in connection with continued hearing on bid procedures motion (1.40).	1.40	798.00
10/20/06	M. Levinson	Portion of very long telephone conversation with M. Tucker and J. Hermann, with C. Harvick for part, devoted to next steps in light of Judge Riegle's ruling yesterday on the bid procedures motion and re numerous plan issues (1.10); exchange a series of email memoranda with R. Charles and with E. Karasik re next steps with respect to the plan term sheet (.10).	1.20	672.00


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10/20/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding ongoing negotiations with USACM Committee, results of court hearing yesterday, issues with term sheet with Investment Partners and other related matters (portion, .1.10); initial review and revision of plan of reorganization term sheet to include Diversified Committee positions (.80).	1.90	1,083.00
10/22/06	M. Levinson	Further attention to responding to the E. Karasik draft of the plan term sheet.	0.40	224.00
10/23/06	M. Levinson	Review the draft M. Tucker declaration in support of the Silver Point bid procedures prepared by A. Loraditch (.20); review the draft Diversified exhibit to the T. Allison declaration in support of the Silver Point bid procedures (.10); telephone conversation with M. Tucker during which we revise the draft M. Tucker declaration in support of the Silver Point bid procedures and email the same to A. Loraditch and others (.50); initial review of the revised draft term sheet forwarded this afternoon by R. Charles (.20); review the lengthy J. Hermann email memorandum commenting on the R. Charles draft (.20); review the M. Tucker email memorandum commenting on the same (.10).	1.30	728.00
10/23/06	L. Ernce	Review exchanges of emails with R. Charles, C. Carlyon and others on proposed changes to bid procedures order and brief conference with M. Levinson re same.	0.20	93.00
10/23/06	L. Ernce	Review supplemental T. Allison declaration in support of Silver Point sale and email to Diversified Committee professionals re portions dealing with Diversified Fund (.20); review A. Loraditch email re finalizing M. Tucker declaration in support of sale (.10); review finalized Tucker declaration (.10); review First Trust Committee's brief in support of sale (.20).	0.60	279.00

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10/23/06	J. Hermann	Review and analysis of draft of M. Tucker declaration in support of Silver Point transaction (.20); review and analysis of T. Allison declaration regarding the same (.30); review and analysis of new draft of plan of reorganization term sheet received from R. Charles and preparation of extensive comments to the same as part of such review (1.80); preparation of email correspondence regarding the same (.30); review and analysis of email from M. Tucker regarding the same (.10).	2.70	1,539.00
10/24/06	M. Levinson	Review and analyze the draft plan term sheet circulated yesterday by R. Charles (.70); telephone conversation with M. Tucker and J. Hermann re the same (.30); telephone conversation with R. Charles, S. Freeman, T. Burr, M. Tucker, C. Harvick and J. Hermann re the same (.90); review the T. Burr and S. Smith email memoranda re the calculation of the investment in the Diversified Fund (.10); review the M. Tucker email memorandum to C. Harvick re the same (.10); follow-up telephone conversation with M. Tucker, C. Harvick and J. Hermann re the same and re next steps (.20); telephone conversation with E. Karasik re the term sheet (.40); review and analyze lengthy E. Karasik email memorandum to counsel for the committees re possible compromises described in the plan term sheet (.10); review the distribution spreadsheets circulated by R. Charles (.20); very long telephone conversation with M. Tucker, C. Harvick and J. Hermann re next steps with respect to the plan term sheet (2.30); exchange email memoranda with C. Harvick re his planned meeting with T. Burr tomorrow (.10).	5.40	3,024.00



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10/24/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding issues in connection with plan of reorganization term sheet received from R. Charles and related matters (.30); telephone conference with R. Charles, S. Freeman, T. Burr, C. Harvick, M. Tucker and M. Levinson regarding further negotiation of plan of reorganization term sheet (.90); review and analysis of financial consultants calculations bearing upon amount of Diversified claim against USACM (.30); follow-up telephone conference with C. Harvick, M. Tucker and M. Levinson regarding plan of reorganization negotiations (.20); participate in extensive conference call with C. Harvick, M. Tucker and M. Levinson regarding strategy for further plan of reorganization negotiations and numerous related matters (2.30); review and analysis of spreadsheets displaying financial impact of different claim amounts under negotiation and revise the same as part of that review (.40).	4.40	2,508.00
10/24/06	L. Ernce	Review next versions of draft bid procedures order and emails from C. Pajak and S. Strong re same.	0.20	93.00
10/25/06	J. Hermann	Further review and analysis of joint plan term sheet received from R. Charles (.40); telephone conference with M. Levinson regarding revisions to the same (.10); preparation of extensive revisions to joint plan term sheet (2.30); participate in conference call with M. Tucker, C. Harvick and M. Levinson regarding such revisions, negotiating strategies, numerical analysis of recoveries and numerous related matters (1.80); prepare further draft of joint plan term sheet based upon matters discussed (.60); further telephone conference with C. Harvick and M. Levinson regarding such further revisions and related matters (.80); preparation of third draft of joint plan term sheet (.30); participate in exchange of email correspondence regarding the same with M. Levinson, C. Harvick and M. Tucker (.20).	6.50	3,705.00

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10/25/06	M. Levinson	Telephone conversation with E. Karasik re the status of plan term sheet discussions with the USACM Committee (.10); review the D. Cooney declaration in support of the bid procedures motion (.10); further analysis of the R. Charles draft term sheet and to making a counterproposal thereto (.50); telephone conversation with E. Karasik re next steps in light of the approval of bid procedures and re related plan and plan term sheet issues (.20); portion of telephone conversation with R. Charles re next steps with respect to the term sheet (.10); review and interlineate comments to the J. Hermann revised draft term of the sheet (.50); very long telephone conversation with M. Tucker, C. Harwick and J. Hermann during which we discuss the changes and revisions thereto (1.30); review the next draft (.20); long telephone conversation with C. Harwick and J. Hermann re the same during which we revise the draft and during which I draft, revise and finalize an email memorandum transmitting the term sheet to all committee counsel and others (.70).	3.70	2,072.00
10/25/06	L. Ernce	Review J. Hermann email re bankruptcy court's approval of bid procedures and conference with M. Levinson re same and next steps.	0.20	93.00
10/26/06	M. Levinson	Exchange a series of brief follow-up email memoranda with E. Karasik re the revised term sheet (.10); exchange of email memoranda with A. Loraditch re the form of order approving the bid procedures (.10); review and analyze the lengthy E. Karasik email memorandum re the First Trust Deed Committee's comments on portions of the revised draft term sheet (.20).	0.40	224.00



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10/27/06 M. Levinson	Exchange email memoranda with E. Karasik re next steps with respect to the plan term sheet, including a possible meeting on October 30th (.10); review the lengthy T. Burr email memorandum and the attachment thereto re his calculation of the total investment in the Diversified Fund (.20); email memorandum to C. Harwick, M. Tucker and J. Hermann re the same, and review the very lengthy J. Hermann email memorandum in response thereto (.20); telephone conversation with J. Hermann re next steps with respect to the same (.10) review and analyze the lengthy T. Burr email memorandum and the spreadsheet attachment thereto re his calculation of the maximum Diversified Fund claim against USACM, including his calculation of the range of recoveries by the Diversified Fund (.30); email memorandum to C. Harwick, M. Tucker and J. Hermann with my comments on the same (.20); review J. Hermann and M. Tucker email responses thereto (.10); email memorandum to M. Tucker and C. Harwick re the T. Burr calculation of the maximum Diversified Fund claim against USACM (.10); review follow-up email memorandum from J. Hermann (.10); review A. Jarvis email memorandum to all four committees requesting that the revised plan filing date be extended a week and that each committee draft a portion of the disclosure statement relating to intercompany claims (.10).	1.50	840.00
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10/27/06	J. Hermann	Review and analysis of email correspondence and attached financial information from T. Burr regarding assertion that Diversified Fund aggregate investment is less than \$150mm for plan of reorganization negotiations (.30); preparation of comprehensive rebuttal of such reasoning in email to Diversified Committee professionals (.50); review and analysis of further email correspondence from T. Burr estimating recoveries on DTD loan portfolios and attached spreadsheet of financial information for purposes of claim estimation in connection with plan of reorganization (.30); review and analysis of case authorities bearing upon claim estimation process and issue of whether recoveries in instant chapter 11 case or under subject plan of reorganization should reduce estimated claim amount (.90); preparation of comprehensive analysis of T. Burr's assertions and relevant case law in email to Diversified Committee professionals (.70); telephone conference with M. Levinson regarding the above and related matters (.20); review and analysis of debtors motion to use cash collateral and reply brief on same in connection with assertions made regarding LLC management fee paid by Diversified Fund and effect upon ongoing plan of reorganization negotiations (.30); participate in exchange of email correspondence with Diversified Committee professionals regarding the same and suggested form of joinder (.30).	3.50	1,995.00
10/27/06	L. Ernce	Review email and spreadsheet from T. Burr with his analysis Diversified Fund's claim against USA Commercial (.20); review exchanges of emails among Diversified Fund professionals re same (.10).	0.30	139.50
10/27/06	L. Ernce	Review next version of joint plan term sheet.	0.60	279.00

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10/28/06	J. Hermann	Review and analysis of revised plan term sheet received from R. Charles (.70); prepare summary of material changes made and economic effect of such changes (.70); participate in exchange of email correspondence regarding the same with M. Levinson and M. Tucker (.20); review and analysis of memorandum from R. Charles providing narrative explanation of changes made to plan of reorganization term sheet (.20); telephone conference with M. Levinson regarding the same and negotiating timing and strategy (.30).	2.10	1,197.00
10/28/06	M. Levinson	Review and respond to R. Charles email memorandum re this morning's draft of the plan term sheet (.10); exchange a series of follow-up email memoranda with R. Charles re the term sheet, the accompanying memorandum and next steps (.20); review the exchange of R. Charles and E. Karasik email memoranda re term sheet issues (.20); initial review of the draft term sheet (.20); review J. Hermann email memorandum re the draft term sheet and respond to J. Hermann, M. Tucker and C. Harvick (.20); review the R. Charles memorandum explaining his rationale for certain aspects of the draft (.20); further review and analysis of the draft term sheet (.40); review the J. Hermann email memorandum containing his comments to the draft and respond thereto (.20); telephone conversation with J. Hermann re the same and re next steps (.30); email memorandum to M. Tucker and J. Hermann re next steps (.10).	2.10	1,176.00

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10/29/06	J. Hermann	Further review and analysis of revised version of plan term sheet and narrative statement explaining changes to the same in preparation for call with M. Levinson and M. Tucker (.30); participate in conference call with M. Tucker and M. Levinson regarding changes to plan term sheet, effects of same, possible counter-proposals and numerous related issues (1.60); preparation of detailed response emphasizing legal issues to assertions by USACM Committee that Diversified Fund claim should be limited to \$129mm (.60); participate in further conference call with M. Tucker and M. Levinson regarding changes to plan term sheet, effects of same, possible counter-proposals and numerous related issues (1.60); preparation of further draft of plan term sheet incorporating discussions during the day of changed terms and concepts (.90); participate in exchange of email correspondence with M. Levinson and M. Tucker regarding comments on response received from R. Charles (.10).	5.10	2,907.00
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10/29/06	M. Levinson	Portion of very long telephone conversation with M. Tucker and J. Hermann re yesterday's draft plan term sheet circulated by R. Charles and re developing a response thereto and begin drafting an email memorandum during the course of the call (1.60); after a break, continuation of the conference call with M. Tucker and J. Hermann, and continue drafting the email during the call (1.60); follow-up conversation with J. Hermann (.20); review length J. Hermann draft email memorandum responding to the T. Burr email memoranda re the calculation of the Diversified Fund claim (.20); review R. Charles email memorandum re next steps with respect to term sheets and review the J. Hermann email memorandum re this thoughts on the same (.20); review the E. Karasik email memorandum re term sheet and timing issues (.10); draft, revise and finalize a lengthy response to R. Charles and E. Karasik (.20); exchange email memoranda with E. Karasik re next steps (.10); initial review of the revised plan term sheet emailed tonight by J. Hermann (.20).	4.40	2,464.00
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10/30/06	J. Hermann	Participate in exchange of email correspondence with all committee professionals regarding status of plan negotiations and urgency of completing plan of reorganization negotiations and related topics (.20); participate in conference call with C. Harvick and M. Levinson regarding accounting response to USACM Committee assertions that starting point for Diversified Fund claim against USACM is only \$129mm, regarding further changes and enhancements to plan of reorganization term sheet, regarding responses to narrative justification of changes received from R. Charles and numerous related matters (1.20); review and revision of plan term sheet to incorporate further changes discussed (.80); preparation of narrative response to memo of R. Charles (.90); participate in further conference call with M. Levinson and C. Harvick regarding finalization of both documents and arrangements for participating in further negotiation session today with all committeees (.70); participate in conference call with all committeees to review and discuss plan of reorganization term sheet and remaining areas of disagreement as to the same and numerous other matters (.70); review and revision of proposed response to accounting issues in connection with USACM Committee assertion that starting point for Diversified Fund claim against USACM is only \$129mm (.20); participate in exchange of email correspondence regarding all of the above with all committee counsel (.20); participate in exchange of email correspondence with Diversified Fund professionals regarding task of preparing certain portions of disclosure statement (.10); review and analysis of file materials relevant to the same (.20).	5.20	2,964.00
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10/30/06	M. Levinson	Exchange email memoranda with C. Harwick and A. Loraditch re the draft memorandum to R. Charles re the T. Burr analysis (.10); telephone conversation with C. Harwick re today's plan term sheet agenda, re his conversation with S. Smith re the calculation of investments in the Diversified Fund and re his drafting a memorandum re the same (.20); further review of the revised draft of the plan term sheet emailed by J. Hermann last night (.30); very long telephone conversation with J. Hermann re the draft term sheet, with C. Harwick for large part, during which we review and revise the draft plan term sheet and discuss at length drafting an explanatory email memorandum to R. Charles (1.20); review the lengthy draft C. Harwick email memorandum to T. Burr re the calculation of the Diversified Fund investment and the brief comments thereto by J. Hermann and M. Tucker (.20); interlineate comments to the draft email memorandum (.30); review the J. Hermann draft response to R. Charles during telephone conversation with C. Harwick and J. Hermann re the same and re the draft C. Harwick email (.50); telephone conversation with E. Karasik re next steps (.10); continue revising the draft memorandum to R. Charles and the draft C. Harwick email memorandum (.20); conference call re the term sheet with R. Charles, S. Freeman, E. Karasik, M. Kvarda, G. Garman, C. Harwick and J. Hermann (.70); follow-up conversation with J. Hermann (.10); follow-up conversation with M. Tucker re the same (.20).	4.10	2,296.00
10/30/06	L. Ernce	Review exchanges of emails among Diversified Fund Professionals re joint plan term sheet issues (.20); review next version of joint plan term sheet (.40).	0.60	279.00
10/30/06	L. Ernce	Review debtors' amended first amended purchase agreement.	0.20	93.00
10/31/06	L. Ernce	Review exchanges of emails among Diversified Fund Committee professionals A. Loraditch, M. Levinson and C. Harwick re joint plan term sheet details.	0.10	46.50



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10/31/06	L. Ernce	Review and analyze latest version of joint plan term sheet in advance of today's Diversified Committee meeting.	0.50	232.50
10/31/06	L. Ernce	Review amended stipulation and order extending time to file response to disclosure statement and A. Loraditch email approving same on behalf of Diversified Committee.	0.10	46.50
10/31/06	L. Ernce	Review notice of errata and revised purchase agreement filed by debtors today and email to Diversified Professionals re same.	0.10	46.50



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10/31/06	M. Levinson	Exchange of email memoranda with R. Charles, S. Freeman, C. Harwick and J. Hermann re rescheduling our call re plan term sheet discussion (.10); telephone conversation with R. Charles, S. Freeman, C. Harwick and J. Hermann re the same and re some of the discussion items and send a follow-up email memorandum (.20); follow-up conversation with C. Harwick and J. Hermann (.30); very long telephone conversation with C. Harwick and J. Hermann re C. Harwick's telephone conversations today with S. Smith and T. Burr re calculation of the investment in the Diversified Fund in preparation for our call later today, and, during the conversation, review and discuss the revised draft of the term sheet just forwarded by E. Karasik (.90); long follow-up conversation with J. Hermann, with C. Harwick for part, during which we continue going over the E. Karasik draft of the term sheet and we review a number of email memoranda from E. Karasik, G. Garman and other counsel scheduling an all-hands call to discuss the term sheet (.50); exchange email memoranda with J. Hermann re a term sheet issue (.10); long telephone conversation re the plan term sheet and related settlement issues with R. Charles, S. Freeman, C. Harwick, M. Tucker and J. Hermann (1.20); review the J. Hermann email memorandum to E. Karasik re the blacklined comments of the Diversified Committee and the USACM Committee to today's draft of the plan term sheet and two email memoranda to L. Ernce and A. Loraditch re next steps in light of the same (.20); initial review of the draft settlement agreement forwarded by R. Charles and email memorandum to R. Charles, E. Karasik, M. Tucker and others re plan issues and next steps (.20).	3.70	2,072.00
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10/31/06 J. Hermann	Telephone conference with S. Freeman, R. Charles, C. Harvick and M. Levinson regarding arrangements for call to discuss plan of reorganization term sheet and related matters (.20); telephone conference with C. Harvick and M. Levinson regarding issues for call with USACM Committee professionals and revised plan of reorganization term sheet just received from E. Karasik (.90); further telephone conference with C. Harvick and M. Levinson regarding issues for call with USACM Committee professionals and revised plan of reorganization term sheet just received from E. Karasik (.50); participate in conference call with S. Freeman, R. Charles, C. Harvick, M. Tucker and M. Levinson regarding further negotiations on plan of reorganization term sheet (1.20); preparation of further version of plan of reorganization term sheet (1.40); participate in exchange of email correspondence with all committee and debtor professionals regarding the same (.20); review and analysis of email correspondence from A. Jarvis regarding drafting issues for plan of reorganization and disclosure statement (.20); review and analysis of chart accompanying such email (.20).	4.80	2,736.00
<i>B320 – Plan and Disclosure Statement (including Business Plan) Total</i>		134.20	75,195.50

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	6.90	465.00	3,208.50
Jeffery D. Hermann	69.90	570.00	39,843.00
Marc A. Levinson	57.40	560.00	32,144.00
Total All Timekeepers	134.20	\$560.32	\$75,195.50



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Task B503 – Litigation

10/04/06	L. Ernce	Review USACM Committee's motion for Rule 2004 examination of USA Commercial Real Estate Group and email memo to Diversified Committee professionals re same.	0.20	93.00
10/05/06	L. Ernce	Review declarations in support of Prospect High Income Fund's opposition to claim objection and emails to A. Loraditch re same (.20); review notice of withdrawal of Prospect High Income Fund's proof of claim as to First Trust Deed Fund only and email to Diversified Committee professionals re same (.10).	0.30	139.50
10/09/06	J. Hermann	Review and analysis of legal authorities cited by R. Charles for notion that Diversified may not offset its claims against USACM on the theory that Diversified is a victim of the fraudulent transfers of USACM, including consideration and analysis of responsive arguments to the same.	0.70	399.00
10/11/06	L. Ernce	Review order requiring USA Commercial Real Estate Group to submit to a Rule 2004 examination and email memo to Diversified Committee professionals re same.	0.10	46.50
10/12/06	L. Ernce	Review order authorizing the First Trust Committee to represent First Trust Deed Fund in interpleader action filed by USA Commercial and email memo to M. Levinson re same.	0.10	46.50
10/19/06	J. Hermann	Meeting with A. Loraditch and R. Olson regarding implications of bankruptcy court ruling on Diversified Committee objection to claim and regarding other litigation and potential litigation matters involved in ongoing discussions on plan of reorganization and with Investment Partners.	0.90	513.00
10/20/06	L. Ernce	Review debtors' opposition to USA Commercial Realty Group's motion to enforce distribution and email to Diversified Committee professionals re same.	0.20	93.00

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10/25/06	L. Ernce	Review notice of withdrawal of Prospect High Income Fund motion for relief from stay; exchange emails with B. Olson re same and re appeal deadline on order sustaining objection to Prospect High Income Fund claim.	0.10	46.50
10/30/06	J. Hermann	Telephone conference with D. Tyukody regarding securities claims that could be asserted against USACM related companies and J. Milanowski and T. Hantges and re related issues (.20); review and analysis of email analysis on such issues provided by D. Tyukody (.20).	0.40	228.00
10/30/06	D. Tyukody	Review materials and prepare e-mail memorandum on potential causes of action and legal analysis under the federal securities laws against various potential parties.	2.00	1,270.00
		<i>B503 – Litigation Total</i>	<i>5.00</i>	<i>2,875.00</i>

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	1.00	465.00	465.00
Jeffery D. Hermann	2.00	570.00	1,140.00
Daniel J. Tyukody	2.00	635.00	1,270.00
Total All Timekeepers	5.00	\$575.00	\$2,875.00



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Task B504 – EPIC Loan

10/03/06	M. Levinson	Portion of a very long telephone conversation with T. Allison, S. Strong, M. Tucker, C. Harvick and J. Hermann devoted to possible sales of Epic condominiums.	0.20	112.00
10/03/06	J. Hermann	Portion of conference call with T. Allison, S. Strong, C. Harvick, M. Tucker and M. Levinson regarding issues in connection with sales of Epic condominiums and manner of ensuring that proceeds are used to repay Sheraton Hotel loan.	0.20	114.00
10/16/06	M. Levinson	Review A. Jarvis email memorandum to R. Walker re the status of his review of the draft Epic conveyance documents and review the brief J. Hermann follow-up email memorandum re the same.	0.10	56.00
10/20/06	M. Levinson	Portion of long telephone conversation with M. Tucker and J. Hermann devoted to the status of the Epic sale and related matters.	0.20	112.00
10/20/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding sale of Epic Resorts properties and attempts to assure that proceeds will be paid to Diversified Fund (.20); review and analysis of file materials in connection with questions from call (.40).	0.60	342.00
10/27/06	J. Hermann	Review and analysis of file materials for information necessary for lien against Marquis Villas (.20); participate in exchange of email correspondence regarding the same with Debtor professionals and Diversified Committee professionals (.20).	0.40	228.00
		<i>B504 – EPIC Loan Total</i>	<i>1.70</i>	<i>964.00</i>



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Timekeeper Summary	Hours	Rate	Amount
Jeffery D. Hermann	1.20	570.00	684.00
Marc A. Levinson	0.50	560.00	280.00
Total All Timekeepers	1.70	\$567.06	\$964.00



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Task B505 – 10-90 Loan

10/01/06	M. Levinson	Review M. Tucker email memorandum re possible approach to Stoneridge and Oak Mesa.	0.10	56.00
10/02/06	M. Levinson	Review the commitment to insure, which is like a preliminary title report, with respect to the Royal Hotel and review the lengthy J. Hermann email memorandum re liens on that property and related issues.	0.20	112.00
10/03/06	M. Levinson	Exchange of further email memoranda with J. Hermann and M. Tucker re the form of letter for R. Walker to send to D. Parker in order to free up documents and data at Ashby (.10); further review of documents relating to the Royal Hotel (.10); long telephone conversation with J. Hermann re the Royal Hotel, with M. Tucker for large part (.70); exchange a series of numerous follow-up email memoranda with T. Allison, S. Strong, M. Tucker and others re scheduling a call re the same for later today (.20); portion of a very long telephone conversation with T. Allison, S. Strong, M. Tucker, C. Harwick and J. Hermann devoted to numerous Investment Partners issues including those relating to Ashby, the Royal Hotel, D. Fogg, T. Allison's contacts with J. Milanowski and other matters (1.40); review and interlineate comments to the draft R. Walker letter to D. Parker re Ashby documents prepared by J. Hermann and telephone conversation with J. Hermann re my comments thereto (.20); review final version of the draft sent by J. Hermann to R. Walker (.10); review the lengthy M. Tucker email memorandum re calculation of the amounts owing on the Sheraton loan and review the spreadsheet attached thereto (.20); review the letter to D. Parker as sent by R. Walker and review the J. Hermann email memorandum re the same (.10).	3.10	1,736.00


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10/03/06	J. Hermann	Further review and revision of form of letter for R. Walker to sign to authorize release of information from Ashby (.40); participate in exchange of email correspondence regarding the same with Diversified Committee professionals (.20); telephone conference with M. Tucker and M. Levinson regarding Royal Hotel information bearing upon destination of proceeds of sale and numerous related matters (.70); participate in exchange of email correspondence regarding the same with debtor representatives and Diversified Committee representatives (.20); review and analysis of M. Tucker email and attached calculations bearing upon amounts to be paid to Diversified Fund out of proceeds of sale of Hotel Zoso (.40).	1.90	1,083.00
10/03/06	J. Hermann	Portion of long conference call with T. Allison, S. Strong, C. Harwick, M. Tucker and M. Levinson regarding issues in connection with closing of escrow for sale of Royal Hotel and efforts to ensure that sellers proceeds are paid to debtors, regarding issues in connection with the closing of the Hotel Zoso and similar efforts to ensure that seller's proceeds are paid to debtors, regarding ongoing efforts to obtain documents and information pertaining to Investment Partners from Ashby companies and regarding recent efforts to obtain repayment of Colt Gateway loans from HFA entities (1.40); review and analysis of transaction documents in connection with the same (.40).	1.80	1,026.00
10/03/06	J. Hermann	Preparation of proposed correspondence from R. Walker to Ashby counsel (.60); review and analysis of file materials in connection with the same (.10); telephone conference with M. Levinson regarding the same (.10); participate in exchange of email correspondence regarding the same (.10).	0.90	513.00


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10/04/06	M. Levinson	Telephone conversation with J. Hermann re the M. Tucker calculation of the amount owing on the Sheraton loan and re forwarding the same to R. Walker (.10); portion of long telephone conversation with M. Tucker, and J. Hermann devoted to Investment Partners issues including M. Tucker and C. Harwick's conversation with T. Allison re T. Allison's meeting with J. Milanowski today and re next steps in light of the same (.60); portion of a telephone conversation with A. Jarvis devoted to the foregoing and to next steps, including her calling R. Walker tomorrow (.20); review J. Hermann email memorandum to R. Walker covering the Sheraton calculation (.10); review R. Charles email memorandum re the status of the Royal Hotel sale (.10); draft, revise and finalize a lengthy email memorandum to J. Hermann, C. Harwick and M. Tucker re the same and related issues (.30).	1.40	784.00
10/04/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding 10-90 Inc. loan issues, including report from meeting today between T. Allison and J. Milanowski, issues bearing upon frustration at escrow closings being imminent on Royal Hotel and Hotel Zoso and other related matters.	0.60	342.00
10/04/06	J. Hermann	Telephone conference with M. Tucker and M. Levinson regarding 10-90 Inc. loan issues, including report from meeting today between T. Allison and J. Milanowski, issues bearing upon frustration at escrow closings being imminent on Royal Hotel and Hotel Zoso and regarding plan of reorganization and other related matters.	0.30	171.00

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10/05/06	J. Hermann	Prepare memorandum on requirement, if any, of Investment Partners to immediately remit sales proceeds of Royal Hotel out of HMA Sales LLC and arguments pertaining to whether proceeds of additional collateral under Investment Partners Pledge Agreement are for the benefit of all secured parties hereunder or only USACM (.90); review and analysis of HMA Sales LLC operating agreement in connection with the same (.40); review and analysis of \$58mm promissory note from Investment Partners and Investment Partners security agreement in connection with the same (.40); telephone conference with M. Tucker, C. Harvick and M. Levinson regarding issues bearing upon obtaining some degree of control over assets of Investment Partners likely procured with Diversified Fund diverted monies and with proceeds of 10-90, Inc. loan and numerous related issues (.70).	2.40	1,368.00
10/05/06	J. Hermann	Telephone conference with A. Jarvis regarding numerous 10-90, Inc. loan issues and issues involving Investment Partners in particular.	0.80	456.00
10/05/06	M. Levinson	Telephone conversation with J. Hermann re my conversation about Investment Partners issues with A. Jarvis last night and re next steps, and, during the call, leave voicemail messages for R. Walker and A. Jarvis (.20); exchange a series of follow-up email memoranda with C. Harvick, M. Tucker and J. Hermann (.10); telephone conversation with A. Jarvis and J. Hermann re next steps (.20); review lengthy J. Hermann email memorandum re issues arising under the earlier settlement with Investment Partners (.20); portion of a very long telephone conversation with C. Harvick, M. Tucker and J. Hermann devoted to Investment Partners issues (1.20).	1.90	1,064.00

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10/06/06	J. Hermann	Telephone conference with R. Walker regarding issues in connection with closings of Royal Hotel, Hotel Zoso and Epic condominiums, regarding ongoing negotiations with Mr. Milanowski regarding the same and related matters (.50); preparation of extensive email correspondence regarding the same with Diversified Committee professionals and debtor professionals (.70); review and analysis of operating agreement and other transactional documents in connection with assertion that monies will not be paid to estates from above closings in the absence of overall agreement with Investment Partners (.90).	2.10	1,197.00
10/06/06	M. Levinson	Telephone conversation J. Hermann re next steps with respect to Investment Partners immediately following the Diversified Committee conference call (.20); telephone conversation with R. Walker and J. Hermann re Investment Partner status and settlement alternatives (.20); review lengthy J. Hermann email memorandum re his call with R. Walker after I left the call and review lengthy A. Jarvis email memorandum re her call with R. Walker after his call with J. Hermann and me (.20).	0.60	336.00
10/07/06	M. Levinson	Review R. Walker correspondence to D. Parker authorizing the release of Ashby documents to T. Allison and M Tucker and email re the same to J. Hermann and M. Tucker (.20); exchange of follow-up email memoranda with J. Hermann re yesterday's call with R. Walker (.10); conference with J. Mahoney re recent Ashby and Investment Partners developments, including an alleged recent agreement between Investment Partners and the Ashby entities (.20); analysis re next steps in light of the same (.20); draft, revise and finalize lengthy email memorandum to C. Harwick, J. Hermann and M. Tucker re the same (.20).	0.90	504.00

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10/08/06	M. Levinson	Follow-up email memorandum to C. Harwick, J. Hermann and M. Tucker re my conversation last night with J. Mahoney regarding Investment Partners issues (.20); lengthy email memorandum to A. Jarvis and T. Allison re the same (.30); exchange follow-up email memoranda with T. Allison (.10); analysis re next steps in the negotiations with J. Milanowski (.20).	0.80	448.00
10/09/06	M. Levinson	Email memorandum from A. Jarvis in response to mine about the J. Mahoney meeting, voicemail message to R. Walker re the same, follow-up email memoranda to A. Jarvis and to M. Tucker (.20); telephone conversation with R. Walker and A. Jarvis re the J. Mahoney meeting and re next steps (.30); review J. Hermann email memoranda to A. Jarvis re HMA Sales and the possible sale of the Royal Hotel (.10); telephone conversation with J. Hermann re the same (.10); long telephone conversation with M. Tucker, C. Harwick and J. Hermann re next steps in light of the same (.40); telephone conversation with A. Jarvis and J. Hermann re possibly making a proposal to Investment Partners (.40); portion of telephone conversation with J. Hermann devoted to next steps with respect to Investment Partners (.10); review articles re the development of Roripaugh Ranch and review agenda for tomorrow's Temecula City Council meeting (.10); follow-up email memorandum to R. Walker (.10); portion of very long telephone conversation with M. Tucker, C. Harwick and J. Hermann devoted to Investment Partners issues (.30).	2.10	1,176.00



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10/09/06	J. Hermann	Telephone conference with M. Levinson regarding reports that J. Milanowski signed agreements relating to Investment Partners LLC interests in Ashby entities relinquishing control and related topics (.10); review and analysis of emails from M. Levinson and A. Jarvis regarding the same (.10); telephone conference with M. Tucker, C. Harwick and M. Levinson regarding the same and other 10-90, Inc. loan developments and arrangements for calls later today (.40); participate in conference call with A. Jarvis and M. Levinson regarding status of negotiations with Investment Partners, possible structures for counterproposal and other related matters (.30); preparation of email correspondence to A. Jarvis, T. Allison, Diversified Fund professionals and other debtor professionals regarding analysis of HMA Sales LLC operating agreement, \$58mm promissory note and related security agreement regarding ability of HMA Sales to fail to distribute monies to Investment Partners (.30); participate in conference call with M. Tucker, C. Harwick and M. Levinson regarding numerous issues involved in accounting for \$58mm promissory note from Investment Partners, issues relating to sharing of collateral under Investment Partners security agreement and related issues (.30); review and analysis of materials from Temecula City Council meetings and Temecula Planning Commission meetings to determine actions with respect to Roripaugh Ranch project of Ashby USA in connection with and in preparation for tomorrow night's further City Council meeting (1.40).	2.90	1,653.00
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10/10/06	M. Levinson	Review the proposed Royal Hotel closing statement forwarded by R. Walker and telephone conversation with A. Jarvis re the same (.20); follow-up email memorandum to M. Tucker and J. Hermann re the same and review lengthy J. Hermann response (.20); telephone conversation with A. Jarvis and J. Hermann re the same and email memorandum to R. Walker re scheduling a call for later today (.20); follow-up telephone conversation with J. Hermann (.10); review the preliminary title report for the Hotel Zosa and the J. Hermann email memorandum re the same (.20); very long telephone conversation with M. Tucker and J. Hermann re the same and re next steps, with C. Harwick for part, and during the course of the call, do an initial review of the revised Roripaugh operating agreement forwarded just now by R. Walker and send email memoranda to A. Jarvis and T. Allison re the same (.90); telephone conversation with A. Jarvis and J. Hermann re next steps in light of the R. Walker email and the revised Roripaugh operating agreement, with M. Tucker for part (.60); follow-up conversation with A. Jarvis, J. Atkinson, S. Smith, R. Charles, M. Tucker and J. Hermann re the same and re next steps (.90); follow-up conversation with M. Tucker and J. Hermann (.30); more thorough review of the revised Roripaugh operating agreement (.30); analysis re next steps in light of the same (.20).	4.10	2,296.00
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10/10/06	J. Hermann	Review and analysis of spreadsheet of receipts and disbursements from anticipated closing of Royal Hotel property (.30); consideration and analysis of issues raised by the same, including delayed receipt of sales proceeds and amounts available to be distributed to the estates (.20); participate in exchange of email correspondence with Diversified Committee professionals regarding the same (.20); further review and analysis of materials available from City of Temecula City Council meetings in connection with tonight's meeting to discuss Roripaugh Ranch project of Ashby USA, among other topics (.60); telephone conference with A. Jarvis and M. Levinson regarding issues in connection with closing of Royal Hotel and disbursement of sales proceeds and need to discuss the same further with R. Walker (.20); review and analysis of Investment Partners pledge agreement regarding issue of manner of calculation of Expense Carve-Out (.20); preparation of email correspondence to Diversified Committee professionals and A. Jarvis providing summary of operative provisions and conclusion as to such issue (.30); telephone conference with M. Tucker, C. Harvick and M. Levinson regarding revelations today that J. Milanowski has further encumbered Royal Hotel and has substantially encumbered the Investment Partners LLC member interests in Ashby USA and numerous related topics including litigation alternatives available (1.50); telephone conference with A. Jarvis, C. Harvick, M. Tucker and M. Levinson regarding such new information and litigation alternatives available as a result of the same (.60); participate in conference call with R. Charles, A. Jarvis, C. Harvick, M. Tucker and M. Levinson regarding the above and numerous related matters (.90); telephone conference with M. Tucker and M. Levinson regarding the above matters and strategy issues (.30).	5.30	3,021.00
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10/11/06	M. Levinson	Prepare for this afternoon's call concerning Investment Partners among professionals for the debtors, the USACM Committee and the Diversified Committee (.30); review the S. Reale UCC filing and the J. Hermann email memorandum commenting on the same (.10); telephone conversations with M. Tucker and J. Hermann in preparation for this afternoon's call and review the exchange of R. Charles and J. Hermann email memoranda regarding the call (.20); telephone conversation with A. Jarvis re the upcoming call (.10); very long telephone conversation re Investment Partners status and strategies with T. Allison, S. Smith, J. Atkinson, A. Jarvis, S. Strong, D. Walker, R. Charles, M. Tucker, J. Hermann and others (1.90); follow-up telephone conversation with J. Hermann and M. Tucker (.60).	3.20	1,792.00
10/11/06	J. Hermann	Participation in conference call with debtors' professionals, USACM Committee and Diversified Committee regarding Investment Partners issues, closings of Royal Hotel and Hotel Zoso escrows, claims asserted in those escrows, possible involuntary bankruptcy, and numerous related issues (1.80); participate in exchange of email correspondence regarding topics discussed in such call with such professionals (.20); review and analysis of UCC filings against Investment Partners (.20); further telephone conference with M. Tucker and M. Levinson regarding results of Diversified Committee call on 10-90 loan issues and regarding litigation strategy and alternatives to the same (.60).	2.80	1,596.00



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10/12/06	M. Levinson	Very long telephone conversation with A. Jarvis, T. Allison, E. Monson, S. Strong, S. Call, D. Walker and S. Freeman (for part) re Investment Partners issues and discuss strategies for collecting the Investment Partners loans (1.20); review R. Walker voicemail message re recent developments, telephone conversation with J. Hermann and exchange email memoranda with A. Jarvis re the same (.20); telephone conversation with A. Jarvis, M. Tucker and J. Hermann re the same and follow-up meeting with M. Tucker and J. Hermann (.20).	1.60	896.00
10/12/06	J. Hermann	Extensive conference call with numerous debtor professionals regarding new developments in connection with Investment Partners and strategies for litigation alternatives to collect 10-90, Inc. loan (1.20); review and analysis of 10-90, Inc. loan transaction documents in connection with issues arising in such call (.40); telephone conference with A. Jarvis, M. Tucker and M. Levinson regarding follow-up issues from conference call and related matters (.40).	2.00	1,140.00
10/13/06	M. Levinson	Review A. Jarvis email memorandum re her conversation with R. Walker re next steps and email to A. Jarvis in response thereto.	0.20	112.00
10/13/06	J. Hermann	Review and analysis of A. Jarvis email regarding recent discussions with J. Milanowski and Saturday conference call regarding the same (.10); further preparation of documentation needed to be executed by Investment Partners to assure receipt of monies from pending escrows (.60).	0.70	399.00
10/14/06	M. Levinson	Exchange a series of email memoranda with A. Jarvis re scheduling an Investment Partners call for later today (.10); portion of long telephone conversation with A. Jarvis devoted to a discussion of Investment Partners strategies and next steps (.30); exchange of follow-up email memoranda with A. Jarvis, T. Allison, S. Strong and J. Hermann (.10).	0.50	280.00

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10/15/06	M. Levinson	Exchange a series of email memoranda with T. Allison, A. Jarvis, S. Strong, M. Tucker and J. Hermann re scheduling and rescheduling a conference call for later today (.20); long conference call with T. Allison, A. Jarvis, S. Strong, M. Tucker and J. Hermann re a possible meeting next week with J. Milanowski and re strategic issues relating thereto (1.20).	1.40	784.00
10/15/06	J. Hermann	Participate in conference call with A. Jarvis, T. Allison, S. Strong, M. Tucker, J. Atkinson, E. Monson and M. Levinson regarding overall strategy for pursuing Investment Partners.	1.20	684.00
10/16/06	M. Levinson	Review and analyze lengthy R. Mason email memorandum re possible litigation alternatives to collection of the Investment Partners obligation (.20); review J. Hermann email memorandum re the box of Investment Partners documents delivered by R. Charles and the M. Tucker and J. Hermann follow-up email memoranda re next steps with respect to the same (.20); telephone conversation with S. Bice re Investment Partners status and issues (.20); follow-up conference call with T. Allison, S. Smith, A. Jarvis, S. Strong, M. Tucker and J. Hermann re the possible meeting later this week with J. Milanowski and re strategic issues relating thereto (.50); two follow-up conversations with J. Hermann (.20); review M. Tucker email memorandum to M. Tucker re the payoff of the Sheraton loan (.10); review a series of J. Hermann and A. Loraditch email memoranda re the preparation of documents relating to the Royal Hotel (.10); review A. Jarvis email memorandum re her message from R. Walker re next steps and re J. Milanowski's conversation a member of the USACM Committee, respond to J. Hermann re the same and review M. Tucker email memorandum to A. Jarvis (.20).	1.70	952.00

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10/16/06	J. Hermann	Participation in follow-up conference call with A. Jarvis, T. Allison, S. Strong, M. Tucker, S. Smith and M. Levinson regarding overall strategy for pursuing Investment Partners (.50); initial review and analysis of voluminous documents relating to Investment Partners and numerous affiliates and in particular, 2005 balance sheets for Investment Partners (.90); review and analysis of results of Temecula City Council meeting on October 10th to determine if Roripaugh Ranch was on the agenda or discussed in any way (.40); participate in exchange of email correspondence with Diversified Committee professionals regarding the same (.10); participate in conference call with M. Tucker and M. Levinson regarding the above and related issues and overall Investment Partners strategy and related issues (.30).	2.20	1,254.00
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10/17/06 M. Levinson	Very long telephone conversation with A. Jarvis, T. Allison, J. Atkinson, D. Walker, R. Charles and J. Hermann re T. Allison's and J. Atkinson's meeting with J. Milanowski this morning and re next steps in light of the same and exchange related email memoranda with M. Tucker during the call (1.30); review A. Jarvis email memorandum outlining the possible requests to be made in connection with tomorrow's meeting with J. Milanowski (.20); review R. Charles and A. Jarvis email memoranda re communications with J. Milanowski (.10); telephone conversation with J. Hermann re his conversation with B. Olson and A. Loraditch re issues relating to a possible deed of trust to be signed by HMA Sales, with A. Jarvis and B. Olson for large part during which we discuss possible other collateral and the A. Jarvis email about possible requests (.80); exchange of email memoranda with C. Harwick re Investment Partners documents furnished to FTI (.10); review A Jarvis email memorandum to R. Walker re document requests made in connection with tomorrow's meeting (.10); review the revised irrevocable escrow instruction for the Zoso Hotel and the new irrevocable escrow instruction for the Royal Hotel and the related exchange of a number of emails between S. Tingey, A. Jarvis and J. Hermann (.20); telephone conversation with M. Tucker re today's developments and tomorrow's meetings (.20); review the City of Temecula meeting agendas and the J. Hermann email memoranda discussing them as they relate to Roripaugh (.10).	3.10	1,736.00
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10/17/06	J. Hermann	Telephone conference with A. Jarvis and R. Walker regarding negotiations with Investment Partners and numerous related topics (.50); participate in conference call with A. Jarvis, T. Allison, J. Atkinson, R. Charles and C. Harwick regarding strategy for dealing with Investment Partners and necessity of meeting with J. Milanowski tomorrow (1.40); telephone conference with A. Loraditch and R. Olson regarding issues in connection with preparation of deed of trust against Royal Hotel (.30); participate in conference call with A. Jarvis, R. Olson and M. Levinson regarding the same and possible implication of Nevada one form of action rule (.80); preparation of further amended escrow instructions for Hotel Zoso closing (.80); preparation of irrevocable escrow instruction for Royal Hotel (1.40); review and analysis of file materials in connection with the same (.30).	5.50	3,135.00
10/18/06	M. Levinson	Review S. Tingey email memoranda re the assignment of the Royal Hotel receivables, including his transmittal memorandum to R. Walker (.10); email memorandum to M. Tucker and J. Hermann requesting an Investment Partners update in light of their meeting today with J. Milanowski and review and respond to lengthy J. Hermann report on the meeting and on next steps (.20); review lengthy M. Tucker follow-up email memorandum and analysis re next steps (.10).	0.40	224.00


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10/18/06	J. Hermann	Travel to Las Vegas for court hearings and to participate in meeting with J. Milanowski and his counsel and telephone conferences with M. Tucker and T. Allison enroute (2.50 - actual time in excess of 4 hours); meeting with M. Tucker and J. Atkinson regarding agenda for meeting and matters discussed prior to meeting (.70); participate in meeting with J. Milanowski, D. Griffiths, R. Walker, A. Jarvis, T. Allison, J. Atkinson and M. Tucker regarding Investment Partner settlement discussions and numerous related matters (2.70); follow-up meetings with M. Tucker, J. Atkinson and A. Jarvis (.70); preparation of detailed email to Diversified Committee professionals reporting on results of meeting with J. Milanowski and related matters (.30).	6.90	3,933.00
10/19/06	M. Levinson	Review lengthy C. Harwick email memorandum re the Investment Partners loans to Ashby USA (.20); portion of long telephone conversation with J. Hermann re Investment Partners and J. Milanowski issues (.30).	0.50	280.00
10/20/06	M. Levinson	Exchange of email memoranda with W. Dahl, counsel to a party possibly interested in purchasing one of the loans to an Investment Partners affiliate (.10); review the exchange of email memoranda between A. Jarvis and J. Hermann re issues relating to making a distribution to direct lenders that are insiders/affiliates of J. Milanowski and Investment Partners (.10); portion of long telephone conversation with M. Tucker and J. Hermann, with C. Harwick for part, devoted to a discussion of yesterday's meeting with J. Milanowski, T. Allison and others and re next steps with respect to Investment Partners (1.10); review the exchange of email memoranda between M. Tucker and R. Charles re the Investment Partners documents provided to the Diversified Committee professionals by the USACM Committee (.10).	1.40	784.00

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10/20/06	J. Hermann	Portion of long telephone conference with M. Tucker and M. Levinson regarding ongoing negotiations with USACM Committee, results of court hearing yesterday, issues with term sheet with Investment Partners and other related matters (.10); further review and analysis of voluminous documents and financial records received from USACM Committee bearing upon Investment Partners (.90); initial preparation of term sheet for possible settlement with Investment Partners (.80); review and analysis of transaction documents in connection with the same (.40).	3.20	1,824.00
10/21/06	M. Levinson	Review and analyze the D. Parker, J. Milanowski and A. Jarvis email memoranda re the documents prepared by Ohio Savings Bank with respect to Stoneridge and Roripaugh Ranch (.20); review the proposed documents and analysis re next steps in light of the same (.30); email memorandum to C. Harwick, M. Tucker and J. Hermann re the same (.10); review and respond to lengthy M. Tucker responsive email memorandum (.20).	0.80	448.00



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10/23/06	M. Levinson	Further review of the lengthy M. Tucker email memorandum re the proposed Ohio Savings Bank documents forwarded by J. Milanowski in preparation for a call with T. Allison and others later today (.20); telephone conversation with E. Monson re the same and re next steps (.10); review a series of follow-up email memoranda from T. Allison, A. Jarvis and M. Tucker (.20); telephone conversation with M. Tucker and J. Hermann re this weekend's Investment Partners developments and in preparation for this afternoon's call (.20); follow-up telephone conversation with J. Hermann re the foregoing and re other issues relating to a possible settlement with J. Milanowski and Investment Partners (.20); review the exchange of J. Hermann and M. Tucker email memoranda re the security interests granted to the Diversified Fund by Investment Partners (.10); very long telephone conversation with A. Jarvis, T. Allison, E. Monson, J. Hermann and M. Tucker re numerous Investment Partners issues, including those relating to Ashby, Hotel Zoso, Royal Hotel and other assets and debts (.90).	1.90	1,064.00
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10/23/06	J. Hermann	Review and analysis of lengthy email from M. Tucker and attached documents regarding Ohio Savings Bank issues involved in Roripaugh Ranch project (.20); review and analysis of emails regarding the same from T. Allison, A. Jarvis and M. Tucker (.20); telephone conference with M. Tucker and M. Levinson regarding Investment Partners issues and developments (.20); follow-up telephone conference with M. Levinson regarding possible settlement with Investment Partners (.20); review and analysis of transaction documents regarding liens on Investment Partners property in favor of Diversified Fund (.40); participate in exchange of email correspondence regarding the same with Diversified Committee professionals (.20); participate in conference call A. Jarvis, T. Allison, E. Monson and M. Tucker regarding negotiation and litigation alternatives available with respect to Investment Partners given apparent failure to cooperate (.90); preparation of term sheet for possible settlement with Investment Partners (.90); consideration and analysis of legal issues involved in the same bearing upon preserving value of Investment Partners LLC membership interests (.80); review and analysis of documents received from J. Milanowski by which he intends to place junior lien on Stoneridge project, impairing any potential for Diversified Fund recovery on Stoneridge (.60); follow-up telephone conference with A. Jarvis regarding litigation challenges with Investment Partners and challenges in structuring proposed settlement (.60).	5.20	2,964.00
10/24/06	M. Levinson	Review lengthy A. Jarvis email memorandum to J. Milanowski's criminal law attorney, D. Griffiths, urging him to advise his client not to sign the documents from Ohio Savings Bank.	0.10	56.00



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10/24/06	J. Hermann	Telephone conference with A. Jarvis regarding latest information from counsel for Investment Partners and related matters (.30); telephone conference with A. Jarvis and D. Griffiths regarding failure of J. Milanowski to sign and return escrow instructions and related documents and regarding his stated intention to pledge Stoneridge project (.30); further review and analysis of Ohio Savings Bank documents bearing upon the same (.40).	1.00	570.00
10/25/06	M. Levinson	Review and analyze the R. Ashby and L. Redman proposal for the payment of the Stoneridge loan and related issues (.20); review the M. Tucker, J. Hermann and C. Harwick email memoranda re the same and re next steps (.20); review the D. Griffiths and A. Jarvis email memoranda re the Ohio Savings restructure and respond to A. Jarvis re the same (.10).	0.50	280.00

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10/26/06	J. Hermann	Participation in part of a long conference call with A. Jarvis, T. Allison, M. Tucker and M. Levinson regarding numerous issues in connection with further negotiations with J. Milanowski and R. Ashby and latest request that second lien in favor of Ohio Savings Bank be placed on Stoneridge property (.80); preparation of security agreement against personal property on Royal Hotel in attempt to obtain lien that would support a demand into escrow of the sale of such property to be signed by J. Milanowski (.70); preparation of security agreement against personal property on Hotel Zoso in attempt to obtain lien that would support a demand into escrow of the sale of such property to be signed by J. Milanowski (1.30); preparation of security agreement against personal property on Marquis Villas in attempt to obtain lien that would support a demand into escrow of the sale of such property to be signed by J. Milanowski (1.20); review and analysis of file materials in connection with the same (.40); participate in exchange of email correspondence with Diversified Committee professionals and debtor professionals regarding the same (.40); further preparation of settlement term sheet with Investment Partners (.90).	5.70	3,249.00
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10/26/06	M. Levinson	Exchange a number of email memoranda with A. Jarvis, T. Allison, M. Tucker and others re Investment Partners calls later today (.20); long telephone conversation with T. Allison, R. Coe, A. Jarvis, M. Tucker and J. Hermann re Investment Partners issues, including those relating to the proposed Ohio Savings Bank restructure of Roripaugh, the Marquis Hotel and Royal Hotel sales (1.30); exchange of email memoranda with A. Jarvis, T. Allison, R. Charles and others re the next Investment Partners conference call (.10); long telephone conversation with T. Allison, R. Coe, R. Charles, S. Freeman with J. Hermann, T. Burr and A. Jarvis for large part, re the foregoing and other Investment Partners issues, including T. Allison's meeting this morning with J. Milanowski (1.10); follow-up conversation with J. Hermann (.10); review the lengthy J. Hermann email memorandum to A. Jarvis, S. Tingey and others re the new draft irrevocable escrow instructions for the Hotel Zoso, Royal Hotel and other Investment Partners-related assets, and skim the draft escrow instructions (.20).	3.00	1,680.00
10/27/06	M. Levinson	Review two J. Hermann email memoranda to A. Jarvis and T. Allison following up on the Hotel Zoso, Royal Hotel and Marquis Villa documents J. Hermann prepared for signature by Investment Partners.	0.20	112.00
10/27/06	J. Hermann	Consideration and analysis of issues bearing upon Investment Partners settlement term sheet of effect upon LLC member interest of transfer of member interest to liquidating trust or upon filing of bankruptcy (.40); review and analysis of secondary materials discussing such issues (.90); further preparation of Investment Partners settlement term sheet (.60); review and analysis of Ohio Savings Bank materials bearing upon request that Stoneridge Property be pledged for Roripaugh bond issue (.80).	2.30	1,311.00


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10/28/06	J. Hermann	Further review and revision of assignment documents to be signed by Investment Partners (.20); participate in exchange of email correspondence regarding the same with legal representatives of Investment Partners and J. Milanowski transmitting revised forms of documentation, explaining changes and requesting that they be signed and returned (.30).	0.50	285.00
10/28/06	M. Levinson	Review J. Hermann email memorandum to D. Griffiths and R. Walker covering various documents for J. Milanowski's signature on behalf of Investment Partners.	0.10	56.00
10/29/06	J. Hermann	Portion of telephone conference with M. Tucker and M. Levinson regarding report of telephone conference with Ashby representatives and debtor representatives yesterday and issues arising therefrom (.30); further telephone conference with M. Tucker and M. Levinson regarding 10-90, Inc. loan collection issues as they bear upon plan negotiations (.20).	0.50	285.00
10/29/06	M. Levinson	Portion of very long telephone conversation with M. Tucker and J. Hermann devoted to Investment Partners issues, including the October 27th conversation between T. Allison, M. Tucker, R. Ashby, L. Redman and others (.30); email memorandum to A. Jarvis requesting draft pleadings Ray Quinney has been preparing in the event Investment Partners does not cooperate with the estates (.10).	0.40	224.00
10/30/06	J. Hermann	Further preparation of proposed term sheet for settlement with Investment Partners (.90); consideration and analysis of legal issues bearing upon the same, including selection of entity to minimize potential loss of value of LLC membership interests (.40); review and analysis of secondary materials bearing upon such issues (.70); participate in exchange of email correspondence with debtor professionals and Diversified Committee professionals regarding the same (.30).	2.30	1,311.00


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10/30/06	M. Levinson	Draft, revise and finalize email memorandum to A. Jarvis requesting an update on Investment Partners developments (.20); exchange follow-up email memoranda with A. Jarvis and M. Tucker re scheduling a call for tomorrow morning (.10).	0.30	168.00
10/31/06	M. Levinson	Portion of long telephone conversation with A. Jarvis, T. Allison, J. Atkinson, S. Smith, S. Strong, E. Monson, J. Hermann and C. Harwick re Investment Partners status, including T. Allison's conversations with J. Milanowski and R. Ashby.	1.00	560.00
10/31/06	J. Hermann	Participate in conference call with A. Jarvis, T. Allison, S. Smith, J. Atkinson, S. Strong, E. Monson, C. Harwick and M. Levinson regarding continuing failure of J. Milanowski to follow-through upon agreed actions, litigation alternatives to continuing negotiations, bankruptcy alternatives, and numerous related issues (1.10); review and analysis of Investment Partners loan documents in connection with issues raised by R. Charles in plan negotiations (.30); participate in exchange of email correspondence regarding the same with USACM professionals and Diversified Committee professionals (.20); further review and revision of Investment Partners settlement term sheet (.20).	1.90	1,083.00
		<i>B505 – 10-90 Loan Total</i>	100.40	56,853.00

Timekeeper Summary	Hours	Rate	Amount
Jeffery D. Hermann	62.90	570.00	35,853.00
Marc A. Levinson	37.50	560.00	21,000.00
Total All Timekeepers	100.40	\$566.26	\$56,853.00


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Task Code	Description	Hours	Billed Amount
B110	Case Administration	16.60	8,655.00
B120	Asset Analysis and Recovery	14.00	7,593.50
B152	Meetings & Communications with other Committees	4.10	2,313.00
B153	Meetings & Communications with the Committee or members of the Committee	29.10	15,357.00
B154	Meetings & Communications with the Creditors or Equity holders	17.50	8,511.00
B160	Fee/Employment Applications	20.20	9,640.00
B170	Fee/Employment Objections	5.20	2,693.50
B210	Business Operations	0.40	186.00
B220	Employee Benefits/Pensions	0.30	139.50
B230	Financing/Cash Collections	1.50	802.00
B310	Claims Administration and Objections	6.00	3,097.00
B320	Plan and Disclosure Statement (including Business Plan)	134.20	75,195.50
B503	Litigation	5.00	2,875.00
B504	EPIC Loan	1.70	964.00
B505	10-90 Loan	100.40	56,853.00
Totals		356.20	\$194,875.00

Timekeeper Summary	Hours	Rate	Amount
Alyssa D. Englund	2.60	460.00	1,196.00
Lynn T. Ernce	63.20	465.00	29,388.00
Jeffery D. Hermann	151.70	570.00	86,469.00
Marc A. Levinson	136.70	560.00	76,552.00
Daniel J. Tyukody	2.00	635.00	1,270.00
Total All Timekeepers	356.20	\$547.09	\$194,875.00



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Disbursements

Duplicating Expense	1.60	
Express Delivery	33.10	
Local Taxi Expense	58.00	
Out of Town Business Meals	145.00	
Outside Services	87.76	
Parking Expense	36.00	
Postage	4.80	
Telephone	624.55	
Travel Expense, Air Fare	559.70	
Travel Expense, Local	26.70	
Travel Expense, Out of Town	341.07	
Westlaw Research	592.80	
Total Disbursements		\$2,511.08
Total For This Matter		\$197,386.08